

Message Text

LIMITED OFFICIAL USE

PAGE 01 GUAYAQ 01462 152121Z
ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 CIAE-00 COME-00 DODE-00
DOTE-00 FMC-01 INR-10 NSAE-00 CG-00 DLOS-09
OES-09 L-03 /051 W
-----101195 160339Z /12

R 152010Z AUG 78
FM AMCONSUL GUAYAQUIL
TO AMEMBASSY QUITO
INFO SECSTATE WASHDC 6345
AMEMBASSY BOGOTA
AMEMBASSY CARACAS

LIMITED OFFICIAL USE GUAYAQUIL 1462

CARACAS FOR MARAD

EO 11652: N/A
TAGS: EWWT EC
SUBJ: POSSIBLE WITHDRAWAL OF ECUADOR FROM FLOTA MERCANTE GRANCOLOMBIA
NA

1. IN A CONVERSATION HELD TODAY WITH CAPTAIN J. ALBERTO SANCHEZ, MANAGER OF THE ECUADOR SECTION OF THE FLOTA MERCANTE GRANCOLOMBIANA IT WAS LEARNED THAT THE STATEMENT MADE BY JUNTA PRESIDENT ADMIRAL ALFREDO POVEDA BURBANO DURING HIS VISIT TO BOGOTA FOR THE INAUGURATION OF PRESIDENT TURBAY OF COLOMBIA WAS NOTHING NEW. POVEDA SAID, IN EFFECT, THAT THE ECUADOREAN SECTION OF THE FLOTA WOULD SEPARATE FROM THE COLOMBIAN SECTION AND THE ECUADOREAN FLAG VESSELS OF THE FLOTA WOULD BECOME 100 PERCENT ECUADOREAN OWNED.

2. ACCORDING TO SANCHEZ, TALK HAS BEEN GOING ON FOR OVER TEN YEARS ABOUT SEPARATING THE FLEET; IT WAS GIVEN GREATER IMPULSE BY GENERAL RODRIGUEZ LARA WHEN HE ASSUMED POWER AND NOW THAT THE MILITARY GOVERNMENT IS ON ITS WAY OUT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GUAYAQ 01462 152121Z

ADMIRAL POVEDA WANTS TO GIVE IT A FINAL SHOVE. ONCE THE SEPARATION IS AGREED TO IT WOULD TAKE AT LEAST A YEAR TO SEPARATE LEGALLY AND DIVIDE THE ASSETS.

3. OF THE 32 VESSELS IN THE GRANCOLOMBIANA FLEET, SIX ARE REGISTERED IN ECUADOR AND FLY THE ECUADOREAN FLAG: THE REPUBLIC OF ECUADOR, CIUDAD DE MANTA, CIUDAD DE CUENCA,

CIUDAD DE GUAYAQUIL, RIO GUAYAS AND CIUDAD DE QUITO SOON TO BE ADDED. THE FLEET IS AUGMENTED FROM TIME TO TIME BY UP TO FIFTY MORE CHARTERED VESSELS. OF THE FOUR BILLION COLOMBIAN PESO VALUE OF THE COMPANY, THE VALUE OF THE ECUADOREAN SECTION IS BETWEEN 800/900 MILLION COLOMBIAN PESOS. 80 PERCENT OF THE COMPANY SHARES ARE HELD IN COLOMBIA BY BANCO CAFETER AND 20 PERCENT IN ECUADOR BY BANCO NACIONAL DE FOMENTO, BOTH STATE OWNED BANKS.

4. THE TREATY OF 1905 BETWEEN ECUADOR AND COLOMBIA GIVES THE VESSELS OF EACH NATION NATIONAL TREATMENT IN EACH OTHER'S PORTS THUS ECUADOR'S CARGO RESERVE LAW SHOULD NOT PERTAIN TO VESSELS OF THIS FLEET IN ECUADOR. THE CARGO RESERVE LAW SEEMS TO BE THE MOTIVATION BEHIND THE LATEST DECLARATION PLUS THE SUPER-NATIONALISM AND DESIRE TO HAVE TRANSNAVE AS THE ONLY ECUADOREAN NATIONAL FLEET, GOVERNMENT OWNED, OF COURSE, WHICH WOULD INSURE JOBS FOR RETIRED NAVAL OFFICERS AT ALL LEVELS.

5. SANCHEZ FEELS THAT IT IS ONLY A MATTER OF TIME BEFORE FLOTA MERCANTE GRANCOLOMBIANA BREAKS UP AND HE DID NOT SEEM SORRY ABOUT ITS POSSIBLE DEMISE. HE DID EXPRESS GREAT DOUBTS AS TO ABILITY LOCAL GOVERNMENT TYPES RUNNING A COMPLETELY ECUADOREAN OPERATION. HE CITED BAD EXAMPLES OF MANAGEMENT OF FLOPEC AND TRANSNAVE. ONLY REASON FLOTA BANANERA ECUATORIANA OPERATES PROFITABLY IS BECAUSE ALL VESSELS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GUAYAQ 01462 152121Z

CHARTERED TO NOBOA AND ALL MANAGEMENT OF COMPANY HAS TO DO IS DISTRIBUTE PAYMENTS MADE BY NOBOA. HE ALSO SPECULATED HOW NOBOA GETS AWAY WITH NOT COMPLYING WITH CARGO RESERVE LAW AND HOW HIS VESSELS ARE ALL ABLE TO COME BACK TO ECUADOR CHOCABLOCK WITH GENERAL CARGO SINCE MOST VESSELS OF HIS CHARTER FLEET ARE NOT UNDER ECUADOREAN FLAG.

6. COMMENT: CAPTAIN SANCHEZ IMPLIED THAT EVEN THOUGH ECUADOREAN SECTION PROFITABLE COLOMBIA WOULD NOT BE SORRY TO SEE THE SPLIT. COLOMBIA WITH ITS GREATER ECONOMIC WEALTH WOULD BE ABLE TO GO IT ALONE WITH NO PROBLEM. SANCHEZ DISCUSSED PROBLEM OPENLY AND SEEMINGLY WITHOUT BIAS. COOPERATIVE ARRANGEMENT WITH TRANSNAVE HAS NOT WORKED OUT WELL BECAUSE THE ECUADOREANS WANT THEIR CAKE AND BE ABLE TO EAT IT TOO. THE CARGO RESERVE LAW SEEMS TO BE THE BONE OF CONTENTION.

BISHTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NAVAL FORCES, NAVAL SHIPS, POLITICAL CONCESSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GUAYAQ01462
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780334-0833
Format: TEL
From: GUAYAQUIL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780864/aaaacbhe.tel
Line Count: 111
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2e0c8663-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1739904
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE WITHDRAWAL OF ECUADOR FROM FLOTA MERCANTE GRANCOLOMBIA NA
TAGS: EWWT, MMOL, PINT, EC, CO
To: QUITO
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2e0c8663-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014